

### REMARKS/ARGUMENTS

This Amendment is in response to the Office Action of April 20, 2006, in which the Examiner (1) rejected claims 17, 18 and 20 under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent Publication No. 2002/0087472 (“**Walter**”) or, in the alternative, under 35 U.S.C. § 103(a) as being obvious over **Walter** in view of U.S. Patent No. 6,546,373 (“**Cerra**”), (2) rejected claims 1, 2 and 4-10 under 35 U.S.C. § 103(a) as being anticipated by **Walter** in view of U.S. Patent No. 6,275,824 (“**Flaherty**”) or, in the alternative, under 35 U.S.C. § 103(a) as being obvious over **Walter** in view of **O’Flaherty** and further in view of **Cerra**, and (3) objected to claims 3 and 19 as being dependent on a rejected base claim but allowable if rewritten in independent form.

By the present Amendment, Applicant has canceled claims 17-20 and added new claims 21-28. Thus, claims 1-10 and 21-28 are now pending after entry of this Amendment.

New independent claims 21 and 28 recite the subject matter of dependent claims 3 and 19, incorporating the subject matter of their respective parent claims. Claims 22-27 depend from new claim 21 and recite subject matter corresponding to claims 5-10. Since claims 3 and 19 were indicated as containing allowable subject matter, new claims 21-28 are believed to be allowable.

As to the rejection of claims 1-10, Applicant respectfully traverses such rejection, and requests reconsideration in light of the remarks herein.

Claim 1 is a method for protecting consumer personal data, where a payment instrument has both consumer account information (in order to conduct transactions against an account associated with the payment instrument) and personal data and privacy preferences, so that a “purchase request provides the consumer account information as well as the personal data and the privacy preference from the use of the payment instrument, without separate entry of the personal data and the privacy preference from an instrument other than the payment instrument.” In addition, claim 1 recites “receiving an application for a payment instrument, wherein the

application comprises personal data and a privacy preference of a consumer, and wherein the application is requested before the payment instrument is issued.”

The Examiner states in his remarks that **Walter** discloses “receiving an application for a payment instrument (e.g., smart card, credit card or loyalty card in Fig. 3 and paragraph (0025))” (see page 4 of the Remarks).

Applicant respectfully disagrees with the Examiner on this point.

**Walter** discloses a system wherein a customer’s privacy data may be encoded onto a bar code or magnetic strip of a key flock or card. The card bearing the privacy data is a loyalty card or frequent shopper card (see paragraph 0044), rather than a payment instrument as in Applicant’s claimed invention. Furthermore, there is no application for a card (let alone, an application for a payment instrument) disclosed in **Walter**, but rather a system 10 where privacy preferences may be entered by consumers at devices 36, and then subsequently stored at code storage medium 44 and encoded into a barcode or the like.

Thus, **Walter** not only does not disclose Applicant’s feature of receiving an application for a payment instrument, but it does not even address the problem solved by Applicant (and the functions and advantages obtained by the Applicant’s claimed method), wherein privacy data is captured along with personal data as part of “receiving an application for a payment instrument,” so that when the payment instrument is subsequently used for purchase transactions, “the purchase request provides the consumer account information as well as the personal data and the privacy preference from the use of the payment instrument, without separate entry of the personal data and the privacy preference from an instrument other than the payment instrument” (claim 1).

The Examiner acknowledges that **Walter** “does not disclose the application is received before the payment instrument is issued” (page 4 of the Remarks), but argues that **O’Flaherty** overcomes this deficiency by disclosing a kiosk used in entering privacy data “for the benefit of expediting issuance of a card.”

Applicant fails to see the relevance of **O'Flaherty**, or at least fails to see how it is any more relevant than **Walter**. **O'Flaherty** is not concerned with a payment instrument or an application for a payment instrument and, like **Walter**, discloses only a system where privacy data is entered for subsequent storage on a smart card or loyalty card (see column 5, lines 1-6, of **O'Flaherty**).

Applicant's invention is not directed to "expediting issuance of a card" (page 4 of the Examiner's remarks) and, thus, this feature of **O'Flaherty** referred to by the Examiner does not suggest Applicant's invention. Furthermore, even if this **O'Flaherty** feature were somehow relevant, it still does not suggest the purpose or the recited limitations of Applicant's invention in claim 1, where there is "an application for payment instrument," and "wherein the application comprises personal data and a privacy preference of a consumer, and wherein the application is requested before the payment instrument is issued."

As pointed out in Applicant's previous response, it would, in fact, be illogical for a payment instrument to be issued at a POS terminal in response to entry of privacy data as disclosed in **O'Flaherty**. Rather, a payment instrument, such as a credit card, would only be issued in advance and in response to a financial application, and would typically require detailed credit and financial information from an applicant before being issued. Such a necessary and comprehensive application process is clearly not appropriate in the systems of either **Walter** or **O'Flaherty** and, thus, they are believed to teach away from Applicant's invention.

The newly cited reference **Cerra** teaches, at most, that a financial card could be an IC card, but otherwise adds nothing to **Walter** and **O'Flaherty** that is relevant to Applicant's invention.

Thus, the cited references, either alone or as combined by the Examiner, are believed to be clearly distinguishable from the various recited features of independent claim 1. Dependent claims 2-10 recite limitations in addition to those of claim 1, and are believed to be allowable for at least the same reasons as stated above.

## **Conclusion**

In view of the foregoing, Applicant believes all claims now pending in this application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 303-571-4000.

Respectfully submitted,

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